Approved
by the resolution of the Board of Directors
of Joint Stock Company
“Qazaqstan Investment Corporation”
dated 31 July, 2025
(Minutes No. 17/25)

Development Strategy of Qazaqstan Investment Corporation JSC for 2024–2033

Astana, 2025

Content

Introduction

Qazaqstan Investment Corporation Joint Stock Company (hereinafter – QIC or the Corporation) is a private equity fund of funds established to promote the sustainable development of the national economy.

In 2007, the First President of the Republic of Kazakhstan, in his annual Address to the People of Kazakhstan, announced the initiative to establish a private equity fund of funds. In fulfillment of this directive, on March 7, 2007, the Board of Directors of JSC "Kazyna Sustainable Development Fund" adopted a resolution to establish JSC "Kazyna Capital Management."

The sole shareholder of QIC is Joint Stock Company "National Managing Holding 'Baiterek'" (hereinafter – JSC "NMH 'Baiterek'" or the Holding).

To strengthen the Corporation's positioning as a national investment institution, a key player in the global private equity market, and a strategic partner for the international investment community – whose core mandate is to facilitate the inflow of foreign investment into the Republic of Kazakhstan – and to better reflect the Corporation's wide range of financial instruments, a rebranding was conducted based on the decision of the Sole Shareholder dated December 28, 2022. As a result, on January 10, 2023, JSC "Kazyna Capital Management" was re-registered as Joint Stock Company "Qazaqstan Investment Corporation."

The current Development Strategy of Joint Stock Company "Qazaqstan Investment Corporation" for 2024–2033 is the next strategic document for a ten-year period and has been developed in accordance with the Rules for the development, approval, monitoring, and updating of development strategies of the subsidiaries of JSC "National Managing Holding "Baiterek" approved by the Management Board of JSC "NMH "Baiterek" on September 25, 2018 (Resolution No. 38/18), as well as the Development Plan of JSC "NMH "NMH "Baiterek" for 2024–2033.

This Strategy has been updated in alignment with the revised Development Plan of JSC "NMH "Baiterek" for 2024–2033 (Resolution of the Government of the Republic of Kazakhstan No. 285 dated April 28, 2025).

This document outlines the key strategic directions of QIC in fulfilling its role as a driver for the development of the private equity market in Kazakhstan and as the authorized operator for the implementation of government measures to support industrial sectors.

The Development Strategy defines the mission, vision, strategic directions, as well as the goals, objectives, and projected values of key performance indicators for the period 2024–2033.

1. Analysis of the current situation

1.1. Analysis of the external environment

1.1.1. Macroeconomic analysis

According to the World Bank, global GDP growth reached 2.6% in 2024[1], marking the third consecutive year of post-pandemic deceleration (down from 3% in 2022–2023). In the Europe and Central Asia (ECA) region, economic growth in emerging markets and developing economies stabilized at 3.6% in 2024[2], supported by strong consumption and higher real incomes, despite weak external demand. The slowdown compared to previous years was driven by persistent inflation, supply chain disruptions, and tighter monetary policies.

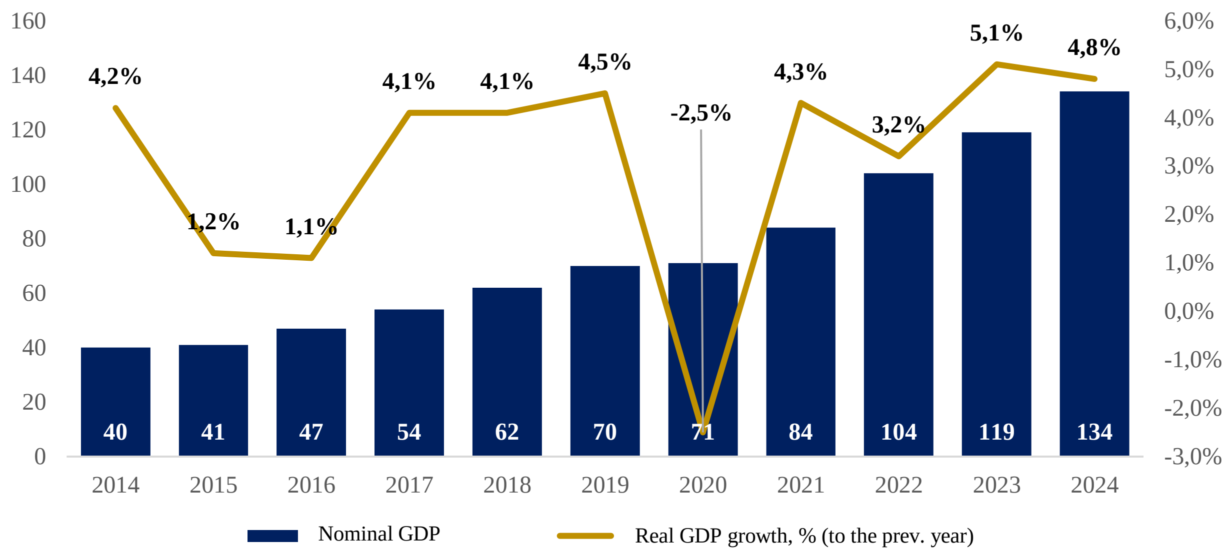
The International Monetary Fund forecasts average annual global economic growth of around 3% through 2027. This would represent one of the lowest growth periods in the past three decades, surpassed only by the downturns during the global recessions of 2009 and 2020. Countries highly dependent on external trade, with limited economic diversification, high levels of debt, and exposure to natural disasters remain especially vulnerable to economic shocks[3].

In 2025, global growth is expected to slow further to 2.5%, reflecting weakening external demand, the deceleration of the Russian economy, and rising regional instability. According to World Bank projections, China and India will account for nearly half of global GDP growth in 2025, with estimated growth rates of around 4.5% for China[4] and 6.3% for India[5]. Approximately 70% of advanced economies are expected to experience slower growth in 2025, due to trade barriers, high interest rate policies, and ongoing global uncertainty.

Tighter financial conditions across most countries will continue to weigh on private investment. At the same time, the likelihood of further key interest rate hikes by major central banks remains high. Against the backdrop of elevated public spending and successive crises, fiscal consolidation is expected to become a top priority for most countries in the region, as they seek to restore fiscal space and rebuild liquidity buffers.

[1] https://thedocs.worldbank.org/en/doc/
[2] https://www.worldbank.org/en/news/
[3] IMF report "Prospects for the development of the global economy"
[4] https://www.worldbank.org/en/news/
[5] https://indianexpress.com/article/business/world-bank

Chart 1: Dynamics of GDP growth in Kazakhstan [6]



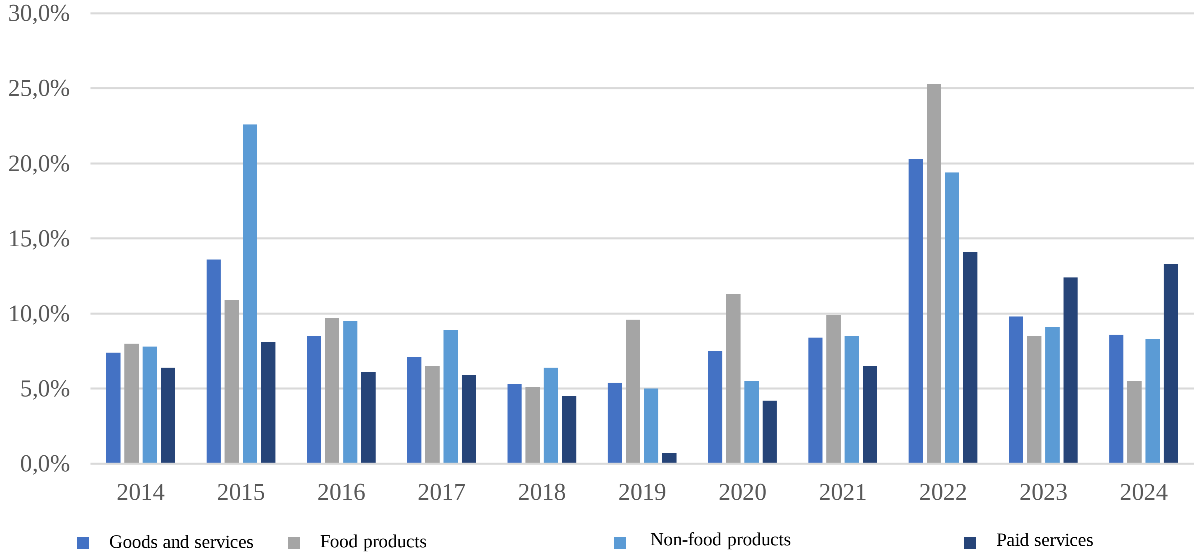
In 2024, Kazakhstan's nominal GDP reached KZT 134 trillion, with real GDP growth amounting to 4.8% compared to the previous year. Between 2014 and 2024, the average annual growth rate of nominal GDP stood at approximately 13%, increasing from KZT 40 trillion to KZT 134 trillion. In 2020, the economy contracted by 2.5% in real terms due to the COVID-19 pandemic and the associated decline in activity across the services, trade, and transport sectors. Recovery began in 2021, with growth reaching 5.1% in 2023 and maintaining stable momentum in 2024, supported by strong domestic demand, investment, and expansion in the construction sector.

In 2024, industry remained a key contributor to Kazakhstan's GDP, accounting for 25.6%, or KZT 34.6 trillion. Within the industrial sector, mining represented 46.6% (KZT 16.15 trillion), while manufacturing accounted for 46.7% (KZT 16.17 trillion). Other leading sectors included trade, which made up 19.1% (KZT 25.8 trillion), and construction, with a share of 5.8% (KZT 7.8 trillion).

Following a sharp surge in prices in 2022, inflation began to moderate in 2024–2025, yet remains elevated. In 2025, the annual consumer price index (CPI) is projected to range between 10-12%, driven primarily by high food and service costs, necessitating the continuation of tight monetary policy. In 2026, inflation is forecast to decline to 9-11%, and further down to 5.5-7.5% in 2027, assuming sustained moderately tight monetary conditions and the gradual withdrawal of fiscal stimulus.

[6] Бюро национальной статистики РК

Chart 2: Inflation, 2014 – 2024[7]



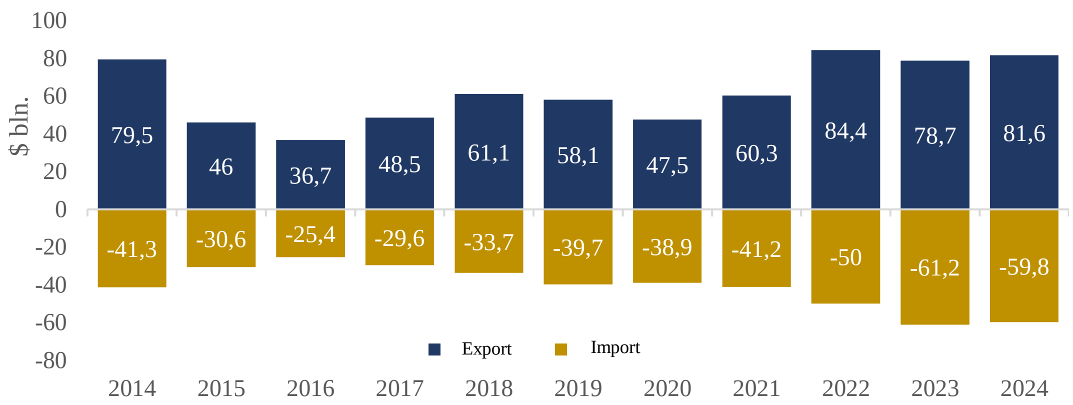
In 2022, Kazakhstan experienced its highest inflation rate in over a decade. The overall CPI rose by 20.3%, with the main inflationary pressures coming from food prices, which surged by 25.3%. Non-food items increased by 19.4%, and paid services by 14.1%. The primary drivers were external shocks resulting from geopolitical tensions, disruptions in supply chains, and rapidly rising production costs.

In 2023, inflationary pressures began to ease. By the end of the year, the overall CPI stood at 10.3%, with food prices increasing by 8.5%, non-food items by 9.1%, and paid services by 12.4%. The decline in inflation was supported by the National Bank's tight monetary policy and the stabilization of external market prices. However, the accelerated rise in service prices reflected growing administrative and energy-related costs within the country.

In 2024, inflation continued to decelerate. The overall increase in prices for goods and services amounted to 8.6%, approaching the upper bound of the National Bank's target range. Food prices rose by 5.5%, non-food items by 8.3%, and paid services by 13.3% over the year. The service sector continued to outpace the overall inflation rate, mainly due to tariff adjustments and rising wages in the utilities, education, and healthcare sectors.

[7] Bureau of National Statistics of the Republic of Kazakhstan

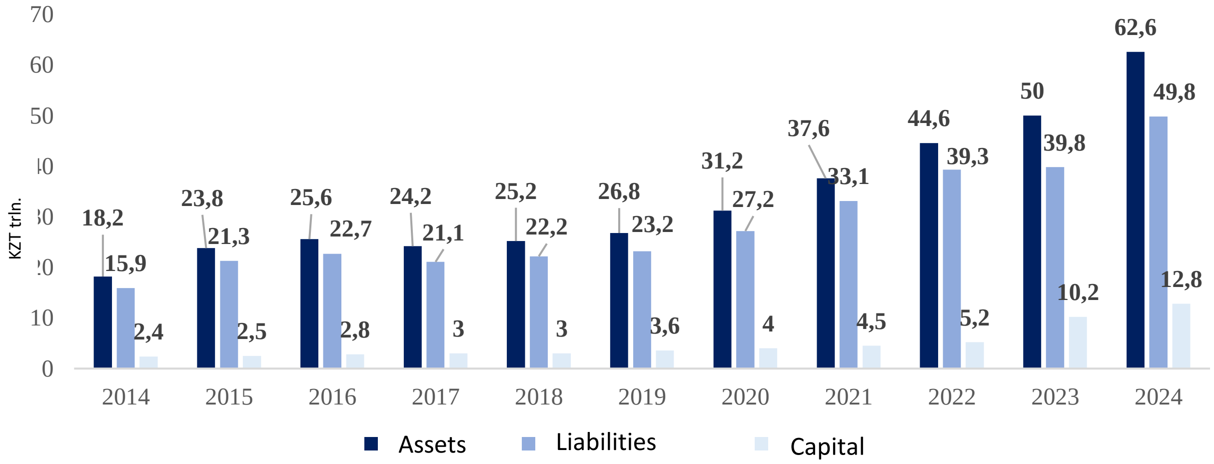
Chart 3: Dynamics of exports and imports in Kazakhstan, 2014 – 2024[8]



In 2023, Kazakhstan's exports declined by 6.8% to USD 78.7 billion, driven by the normalization of global prices for oil and metals following the sharp surge observed in 2022. In contrast, imports continued to rise, reaching USD 61.2 billion (+22.4%), supported by the recovery in domestic consumption, increased investment demand, and the appreciation of the tenge.

In 2024, exports demonstrated positive growth, increasing by 3.7% to USD 81.6 billion. This was primarily due to stable demand for Kazakhstani raw materials and expanded shipments to Central Asian countries and China. Imports decreased by 2.3%, amounting to USD 59.8 billion, reflecting a slowdown in investment demand and partial substitution of imported goods with locally produced alternatives.

Chart 4: Dynamics of assets, liabilities and capital of the banking sector of the Republic of Kazakhstan[9]



As of the end of 2024, the total assets of Kazakhstan's banking sector amounted to KZT 62.6 trillion, representing a 25.2% increase compared to 2023 (KZT 50 trillion)

[8] Bureau of National Statistics of the Republic of Kazakhstan
[9] Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market

and a 1.7-fold increase compared to 2021 (KZT 37.6 trillion). Asset dynamics over the period from 2014 to 2024 demonstrate consistent growth, with an average annual growth rate of approximately 12.6% over the decade (rising from KZT 18.2 trillion in 2014 to KZT 62.6 trillion in 2024).

As of end-2024, total liabilities of the banking sector stood at KZT 49.8 trillion. According to preliminary estimates, customer deposits accounted for approximately 78–80% of this amount, or around KZT 39–40 trillion.

The strengthening of the banking sector's capital base continued, with aggregate capital reaching KZT 12.8 trillion. This reflects an improvement in the sector's financial resilience and the enforcement of stricter capital adequacy requirements.

1.1.2. Global private equity market

The global private equity (PE) market continues to demonstrate resilient asset growth and strategic importance for investors worldwide, despite macroeconomic turbulence in recent years. Following two challenging years for the private equity industry in 2022 and 2023 – driven by the sharpest interest rate hikes in over two decades – 2024 brought some relief, marking the beginning of a monetary policy easing cycle.

According to the *Private Equity International (PEI) 300* ranking, as of 2025, KKR led the industry in five-year fundraising totals with USD 117.9 billion, followed by EQT with USD 113.3 billion and Blackstone with USD 95.7 billion).[10]

Table 1: Top 10 global private equity firms (2020–2025)

Rank 2025	Rank 2024	General Partner	Total Capital Raised Over the Past 5 Years ($ million)	Headquarters
1	▲ 2	KKR	117 889	New York
2	▲ 3	EQT	113 257	Stockholm
3	▼ 1	Blackstone	95 721	New York
4	▲ 7	Thoma Bravo	88 181	Chicago
5	<> 5	TPG	72 584	San Francisco
6	▼ 4	CVC Capital Partners	72 465	Luxembourg
7	▲ 10	Hg	72 462	London
8	▲ 13	Hellman & Friedman	50 215	San Francisco
9	▲ 11	Clayton, Dubilier & Rice	49 784	New York
10	▲ 22	Insight Partners	48 163	New York

Source: Private Equity International 300

In 2025, the total capital raised by the largest fund managers included in the global PEI 300 ranking reached a record high of USD 3.29 trillion. Despite the high base of previous years, the market posted modest but positive growth of 0.37% compared

[10] https://www.privateequityinternational.com/

to 2024, reflecting sustained institutional investor interest in the private equity segment even amid ongoing macroeconomic instability.

Funds of funds (FoFs) continue to play a significant role in the private investment ecosystem, providing institutional investors with access to a broad base of fund managers, geographic and strategic diversification, as well as enhanced risk management.

Geopolitical tensions, sanctions regimes, and the rise of protectionism are increasingly influencing investment decision-making. Nearly 30% of deals in 2024–2025 were revised or postponed due to political risks and regulatory uncertainty. At the same time, regulatory pressure is intensifying: both Europe and the United States have introduced additional requirements related to ESG disclosures, risk governance, and operational transparency.

Investor interest in emerging markets is rising, driven by saturation in Western markets and a search for higher-yielding opportunities. Africa, Central Asia, and Southeast Asia stand out in this regard. However, these markets pose high entry barriers, including political and legal instability, limited liquidity, and complex regulatory environments. Nevertheless, thematic funds focused on sustainable development and infrastructure offer attractive opportunities for FoFs with the capacity to manage such risks.

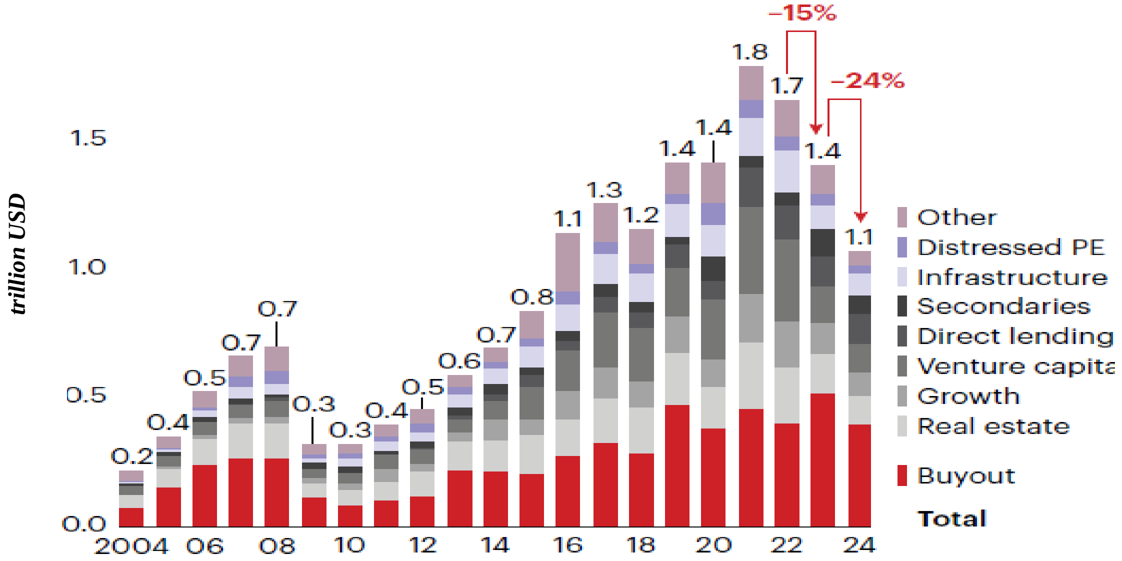
According to Preqin, global private equity assets under management (AUM) reached USD 5.8 trillion by the end of 2023 and continued to grow throughout 2024. Despite challenging market conditions, capital inflows into private equity have remained resilient, underpinned by investors' long-term orientation and desire to diversify portfolios. At the same time, the volume of dry powder (unallocated capital) declined to USD 418 billion as of mid-2024, indicating a moderate recovery in deployment activity (McKinsey, *Global Private Markets Review*, 2024).

According to Bain & Company's global private equity market analysis, total private capital raised declined for the third consecutive year, reaching USD 1.1 trillion – 24% below 2023 levels and 40% below the record peak of 2021.

Only two asset classes avoided declines: infrastructure funds, which raised USD 89 billion (though this was still 31% below the five-year average), and direct lending funds, which reached USD 123 billion – representing a 3% year-on-year increase.

Buyout funds continue to account for 38% of total capital raised. However, in 2024, capital raised by buyout funds fell by 23% compared to 2023, amounting to USD 401 billion.

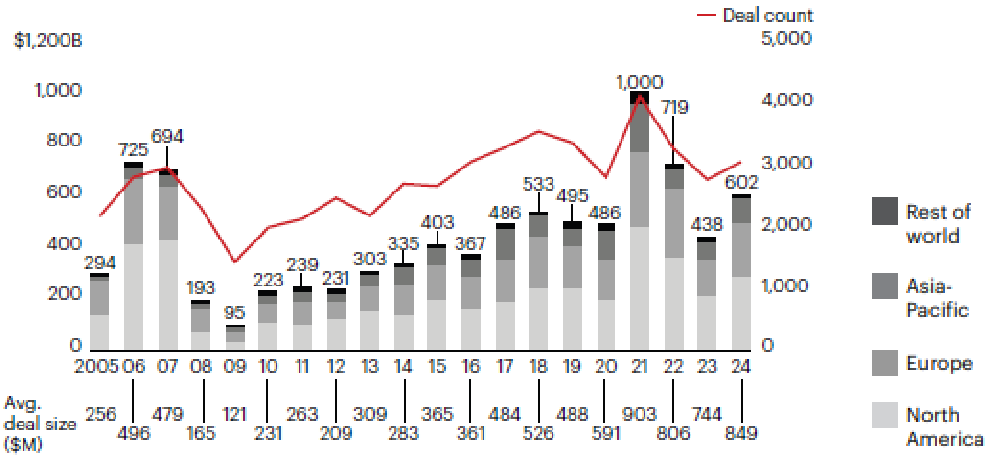
Chart 5. Global volume of private capital raised, by type of funds



Source: Bain & Company Global private equity report 2025

Experts attribute the sluggish growth in global investment to persistent economic uncertainty amid high inflation, policy measures aimed at containing it, tighter financial conditions, geopolitical tensions, and declining business confidence among market participants.

Chart 6. Global cost of outputs



Source: Bain & Company Global private equity report 2025

Despite the decline in fundraising volumes, the value of buyout deals grew by 37% in 2024, reaching USD 602 billion. The easing of interest rates and improved confidence in the macroeconomic outlook were key factors that helped narrow the valuation gap between buyers and sellers. A contributing factor was the 83% surge in syndicated loan issuance, along with continued growth in private credit, which enabled general partners to effectively deploy USD 282 billion of dry powder.

Although the number of deals increased by 10%, reaching approximately 3,000, the total deal value grew at a significantly faster pace, as the average global deal size rose to USD 849 million – marking the second-highest figure in history.

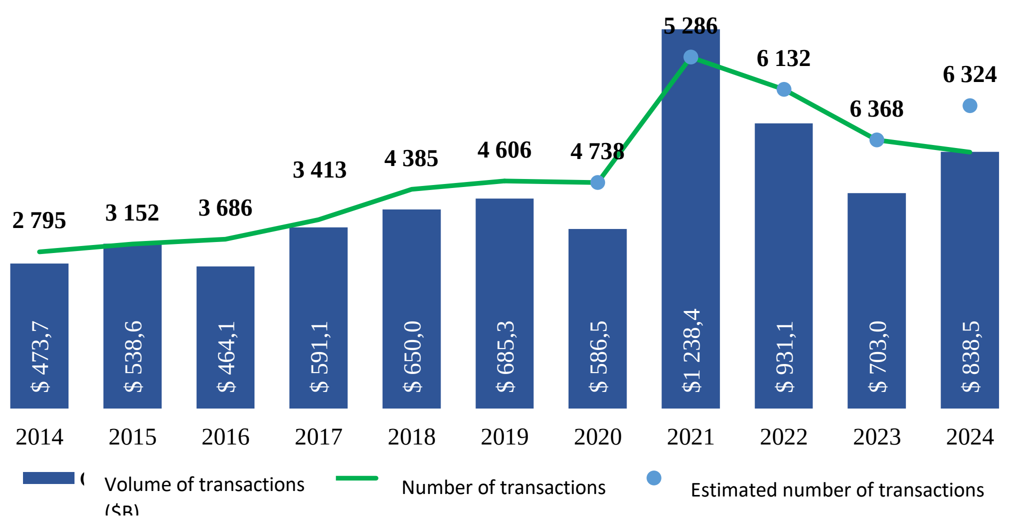
Transactions valued at USD 1 billion or more accounted for 77% of the total capital invested.

From a regional perspective, North America remains the dominant market, concentrating 57% of all assets under management in the private capital sector (including private equity, private credit, real estate, and infrastructure), equivalent to approximately USD 8.3 trillion. Europe and Asia account for less than 30% combined but continue to grow, supported by specialized fund managers and increasing interest in thematic strategies.

According to the *Financial Times*, the United States' share in global foreign direct investment (FDI) projects reached a record high, rising from 11.6% to 14.3% in the 12 months leading up to November 2024. This growth was driven by resilient consumer demand and government stimulus measures such as the Inflation Reduction Act and the CHIPS Act, which attracted investments into the semiconductor and renewable energy sectors. Data from *Trading Economics* indicates that total FDI inflows into the U.S. reached USD 305 billion in 2024, underscoring continued foreign investor interest in the U.S. economy.

The U.S. private equity market ended 2024 on a strong note, rebounding from the lows recorded in Q3 2023. In Q4 2024, total deal value increased by 7.7% year-on-year, while the number of transactions rose by 13.3%. Over the full year, deal value grew by 19.3%, reaching USD 838.5 billion, driven by inflation stabilization and improved macroeconomic expectations. The number of transactions rose by 12.8%, totaling 8,473 deals, including growth equity investments, add-ons, and platform buyouts. Notably, large-cap transactions exceeding USD 1 billion gained momentum, accounting for 36.8% of total deal value compared to 33.6% a year earlier. This uptick was supported by slowing inflation, improved access to financing from both banks and private lenders, and favorable interest rate trends, which created a conducive environment for executing large-scale transactions.

Chart 7. Investment activity of the American PE market



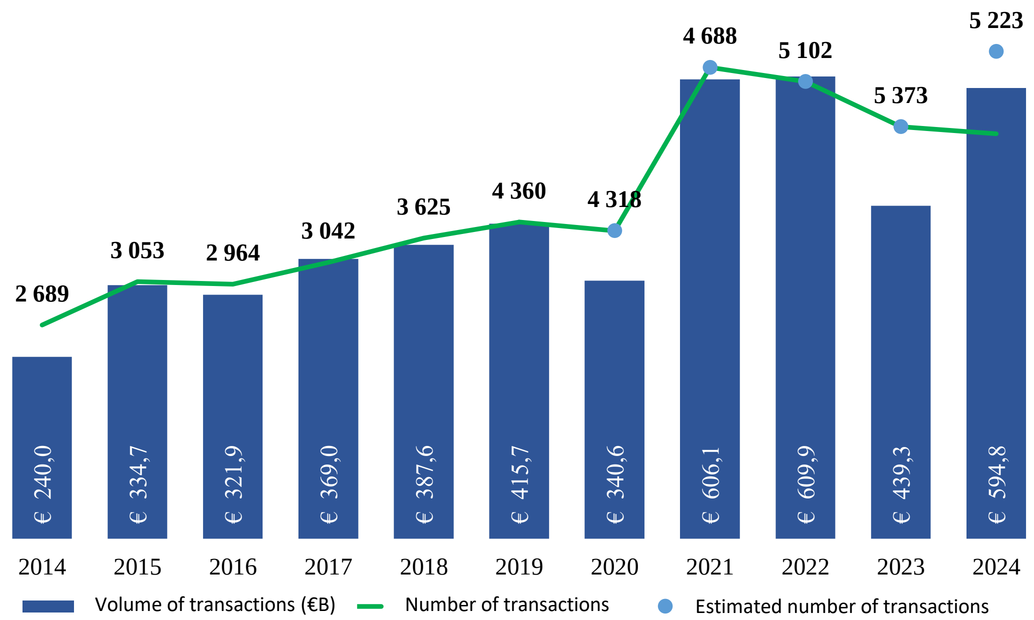
Source: Pitchbook, The 2024 Annual US PE First Look

In 2024, the European Union (EU) exhibited mixed investment trends. While FDI inflows to the EU had fluctuated in prior years, certain countries – such as Luxembourg and the Netherlands – continued to attract substantial volumes of capital. However, excluding these outliers, overall FDI inflows to the EU declined by 23%, highlighting the heterogeneity of the investment climate across the bloc.

The European private equity market demonstrated a strong recovery in 2024. The total volume of private equity deals increased by 35.4% year-on-year, while the number of transactions rose by 18.2%, marking the third-best performance after the record-setting years of 2021 and 2022. This rebound in investment activity occurred despite political transitions in the United Kingdom, instability in Germany and France, the ongoing war in Ukraine, and persistently high interest rates that continued to constrain the use of leverage in buyout transactions.

At the same time, the drivers of growth in 2024 shifted significantly. U.S. investors returned to the European market; public-to-private transactions gained momentum despite elevated equity valuations; and smaller markets – such as Italy – accounted for a growing share of deal volume. Artificial intelligence and machine learning emerged as key investment themes. A mid-year shift in monetary policy further boosted macroeconomic sentiment and provided an additional tailwind for deal-making.

Chart 8. Investment activity in the European PE market

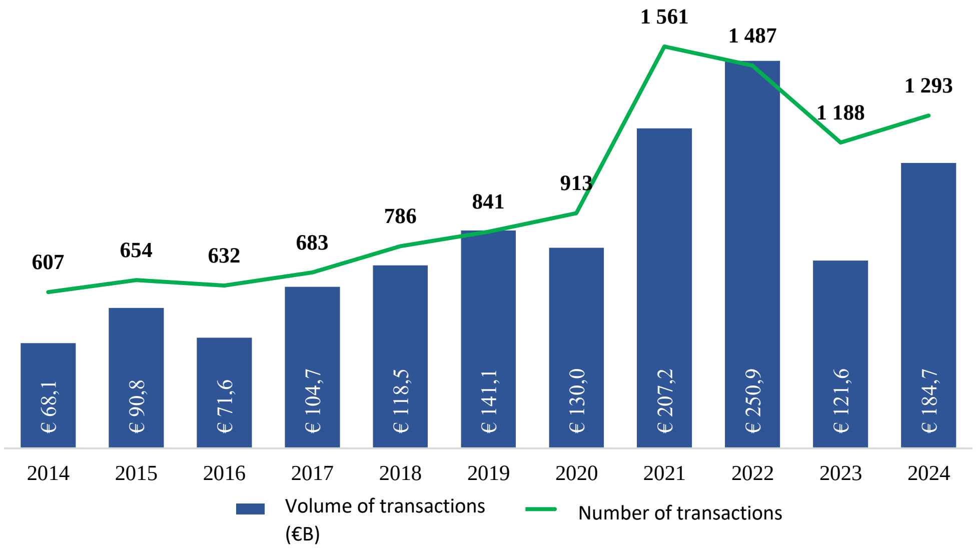


Source: Pitchbook, 2024 Annual European PE First Look

In 2024, Italy and Germany emerged as the leading hubs for private equity transactions in Europe, together accounting for approximately one-quarter of total deal volume. These two countries were the setting for four of the largest European deals of the year. In Germany, the aggregate deal value grew by more than 50% year-on-year, while Italy saw more than a twofold increase, reaching a record number of transactions in a single year.

Italian deals spanned a wide range of sectors, including retail (Kiko Milano, Champion Europe, Acqua&Sapone), telecommunications (NetCo, Infrastrutture Wireless Italiane), and energy (Edison Exploration & Production, Adriatic LNG). Of particular note was the growing involvement of foreign investors, especially from the United States: six out of the ten largest Italian transactions in 2024 involved U.S.-based investors.

Chart 9. Investment activity involving investors from the USA



Source: Pitchbook, The 2024 Annual European PE Breakdown

1.1.3. Central Asian market overview[11]

According to forecasts published in the *Asian Development Outlook 2025* by the Asian Development Bank, the economies of Central Asia are entering a phase of gradual growth deceleration. As of April 2025, the region's aggregate GDP growth is projected at 5.4% for 2025, declining to 5.0% in 2026. This slowdown is attributed to fiscal tightening and continued global uncertainty, including energy market volatility and trade tensions.

The highest growth rates in the region are expected in Kyrgyzstan and Tajikistan – 8.5% and 7.4% respectively in 2025 – with a slight moderation in 2026. Uzbekistan's GDP is forecast to expand steadily, while economic growth in Kazakhstan and Turkmenistan is anticipated to slow due to fiscal consolidation and weakening

[11] Отчет EY «В условиях неопределенности глобальной экономики, какой путь изберет Центральная Азия?»; Национальные статистические агентства, центральные (национальные) банки, МВФ, АБР, Всемирный банк, Trade Map, CEIC; Доклад о мировых инвестициях, Конференция ООН по торговле и развитию.

external demand. Inflation trends also vary across the region: while inflation is projected to ease in Kazakhstan and Uzbekistan by 2026, it is expected to rise further in Kyrgyzstan and Tajikistan.

In 2024, FDI dynamics across Central Asia were mixed. For the first time since independence, Kazakhstan recorded a net FDI outflow of USD 2.55 billion, whereas Uzbekistan led the region with a net inflow of USD 2.8 billion. Despite an overall regional decline, investor interest remains due to the region's strategic geographic position. Central Asia is located at the crossroads of key international transport corridors, linking critical global trade routes. Amid the ongoing conflict between Russia and Ukraine and the resulting sanctions environment, transport routes through Central Asia and the Caspian Sea are gaining importance. The region's role as a logistics hub is expected to strengthen further under China's Belt and Road Initiative, aimed at enhancing transcontinental trade across Eurasia.

According to research by EY, international investors view Kazakhstan and Uzbekistan as the most attractive destinations in the region, citing their relatively stable macroeconomic environments, strong business potential, and strategic location between Europe and Asia. Abundant natural resources, increasing urbanization and modernization, and a young labor force further contribute to their investment appeal.

Alongside the region's potential, however, several structural challenges remain.

Table 2: Structural challenges of the Central Asian region and ways to solve them

№	Problems	Goals	Solutions
1.	No access to the sea	Sustainable development of trade and production	• development of transport infrastructure and logistics services; • simplification and harmonization of trade and transit procedures; • digitalization of documents and trade processes; • promotion of competition in the transport and logistics sector.
2.	Resource dependence and low level of financial development	Reducing dependence on price shocks in commodity markets and financial market development	• improvement of the investment and business climate; • expansion of regional cooperation ties; • availability and broader range of banking, insurance, and investment services; • integration with the global financial market.
3.	Climate change	Reducing environmental risks, contributing to solving the global climate problem	• adoption of low-carbon technologies; • development of green energy; • efficient waste management; • enhancement of environmental responsibility among individuals and businesses.

4.	Lack of coordination in the water and energy complexes	Achieving water and energy security, reducing the cost of electricity	• coordination of cross-border actions in the sector; • cooperation in electricity transmission; • development and modernization of water and energy infrastructure; • modernization of irrigation systems.

Over the past few years, the Government of Kazakhstan has implemented a series of reforms aimed at liberalizing and diversifying the national economy into new sectors, including financial services and consumer markets. The country has established 15 Special Economic Zones offering tax incentives, and launched the Astana International Financial Centre (AIFC) to promote the development of financial and capital markets in the region. These initiatives have helped improve the business climate, open the market to foreign investors, and create substantial investment opportunities.

Historically, Central Asia, particularly Kazakhstan, has attracted large-scale investments from international energy companies such as Chevron, ExxonMobil, and TotalEnergies, due to its abundance of oil, natural gas, and other mineral resources. The petrochemical and metallurgical industries remain key areas of interest. However, as local governments work to diversify energy sources and reduce carbon dependency, the region is undergoing a transition toward cleaner energy. Given its strong potential in wind and solar energy generation, there has been a significant increase in investments in clean technologies and renewable energy sources. In Kazakhstan alone, investments in clean energy reached approximately USD 226.44 million in 2023, representing a 43.77% increase from 2022 (USD 157.50 million). Between 2018 and 2023, the highest level of investment in this sector was recorded in 2019 at USD 943.38 million, while the lowest was in 2022 at USD 157.50 million.

Another rapidly growing sector in the region is consumer goods, including retail and agri-food industries. Central Asia has a vast agricultural base, encouraging investment in food production and agro-processing.

When making investment decisions in the region, investors consider a range of factors, including incentives, policies and reforms, the availability of a skilled and efficient workforce, standard of living, emphasis on sustainability practices, targeted industry support, tax regimes, and the quality of public infrastructure.

Overall, these considerations can be grouped into five key categories that are crucial for all stakeholders – including governments, companies, and consumers:

(1) the level of digital technology adoption,
(2) taxation,
(3) labor market conditions,

(4) regulatory environment, and
(5) sustainable development.

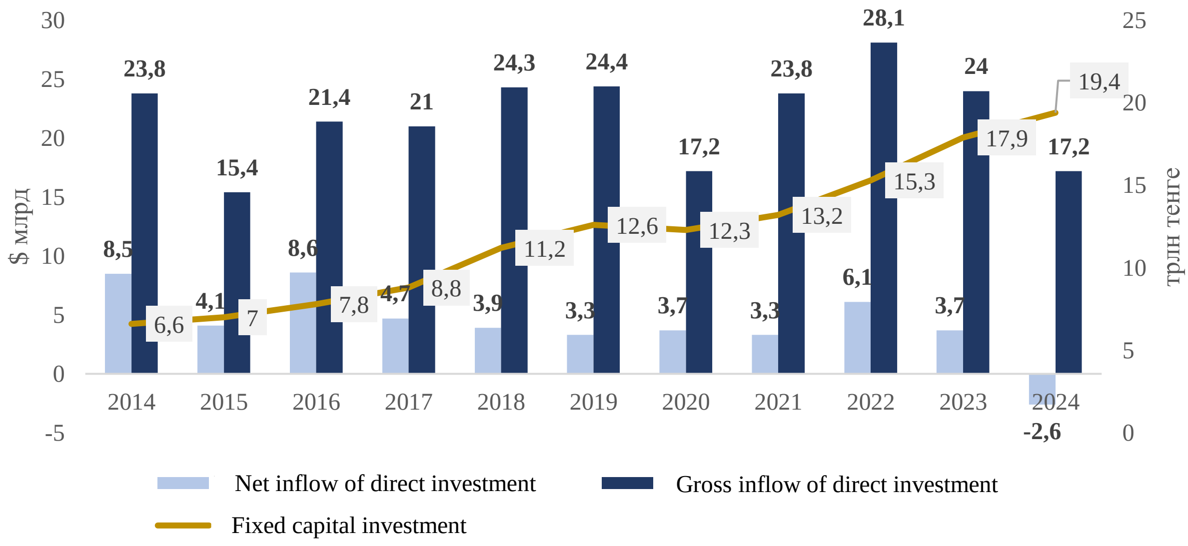
Another important factor in selecting an investment destination is access to venture capital and alternative financing sources for digital initiatives.

Today, Kazakhstan represents new investment opportunities and strong potential for capital deployment. The country offers a strategically important geographic location, a favorable business environment, strong investor protection, and investment incentives.

In 2024, Kazakhstan experienced a notable decline in foreign direct investment (FDI) inflows, which impacted the country's overall economic dynamics. According to the National Bank of the Republic of Kazakhstan, gross FDI inflows totaled USD 17.2 billion in 2024 – down from USD 28.1 billion in 2022 and USD 23.9 billion in 2023.

The more than 28% decrease in gross FDI inflows compared to 2023 – and nearly 40% decline from 2022 – may be attributed to several factors: tighter monetary policy in developed economies, rising geopolitical risks, a shift in global capital allocation, and a reassessment of emerging market risk profiles. In addition, falling commodity prices and slower economic growth in China – Kazakhstan's key trading partner – may have further contributed to subdued investment activity.

Chart 10: Foreign direct investment (FDI) in Kazakhstan [12]



The mining sector attracted the largest share of foreign direct investment by industry, totaling USD 6,481.2 million, continuing a decade-long trend of sustained interest in the extractive industries. It is followed by wholesale and retail trade (USD 5,337.1 million), and manufacturing (USD 2,837.8 million), etc.

[12] Bureau of National Statistics of the Republic of Kazakhstan, National Bank of the Republic of Kazakhstan

Table 3: Main investors by country (2024)

Netherlands	$3.8 billion
Belgium	$1.2 billion
South Korea	$1.2 billion
Russian Federation	$4.5 billion
China	$1.19 billion
France	$0.84 billion
Great Britain	$0.72 billion
Germany	$0.54 billion

An analysis of FDI distribution by country in 2024 reveals the continued presence of Kazakhstan's traditional economic partners, with a strong focus on countries engaged in industrial and energy cooperation. The Russian Federation led in terms of investment volume, contributing USD 4.5 billion – reflecting both historically close ties and active participation in capital-intensive sectors such as logistics and raw material processing. The Netherlands ranked second with USD 3.8 billion, underscoring its role as a transit jurisdiction for global holding structures and international funds.

South Korea, Belgium, and China also ranked among the top five, each investing approximately USD 1.2 billion, highlighting their sustained interest in Kazakhstan's manufacturing and infrastructure potential.

Among Western European countries, France demonstrated the highest level of investment activity (USD 0.84 billion), followed by the United Kingdom (USD 0.72 billion) and Germany (USD 0.54 billion). These figures point to a continued diversification of capital sources and a geopolitically balanced FDI structure – encompassing partners from both the EU and East Asia, as well as from the CIS region.

1.2. Analysis of internal environment

1.2.1. Operational activities

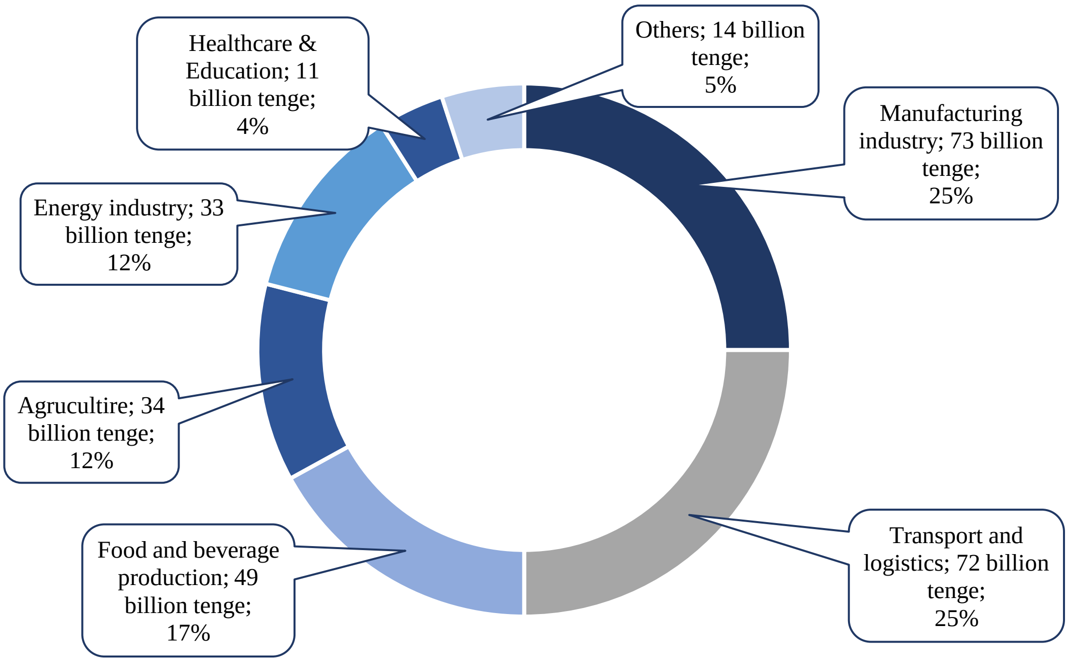
At the end of 2024, QIC's portfolio comprised 18 private equity funds (PEFs), with total capitalization of PEFs involving QIC amounting to USD 1.9 billion. For every USD 1 invested by QIC, an additional USD 2.07 was attracted from partner investors into Kazakhstan.

Table 4: QIC Private Equity Funds (PEF)

№	PEF's name	Year of creation	Size ($ million)	Amount of QIC's obligations under the fund ($million)
Captive PEFs				
1.	Baiterek Venture Fund	2014	179.3*	102,9*
2.	DBK Equity Fund C.V.	2017	64.0*	1,9*
3.	KCM Sustainable Development Fund I C.V.	2019	110.4*	110,4*
4.	Baiterek Investment Fund	2024	105.1*	104,1*
Portfolio PEFs				
5.	Apex Fund I Limited Partnership	2023	38.2*	5.6*
6.	Kazakhstan Infrastructure Fund C.V.	2014	97.4	92.8
7.	Kazakhstan Hungarian Investment Private Equity Fund C.V.	2015	27.8	13.8
8.	Kazakhstan Growth Fund L.P.	2009	80.4	39.8
9.	Kazakhstan Capital Restructuring Fund C.V.	2010	98.2	48.6
10.	CITIC Kazyna Investment Fund I L.P.	2010	137.1	68.4
11.	VTB Capital I2 BF Innovation Fund, L. P.	2011	18.8	18.8
12.	Falah Growth Fund L.P.	2008	104.0	10.4
13.	Da Vinci Emerging Technologies Fund III L.P.	2021	53.1	10.0
14.	Quest Ventures Asia Fund II, L.P.	2020	32.5	10.0
15.	500 STARTUPS V, L.P.	2019	140.0	10.0
16.	Wellington Partners III Technology Fund	2004	156.6	8.0
17.	Flagship Ventures Fund	2005	151.5	10.0
18.	Macquarie Renaissance Infrastructure Fund L.P.	2009	342.5	31.1
TOTAL			**1 936.8**	**696.2**

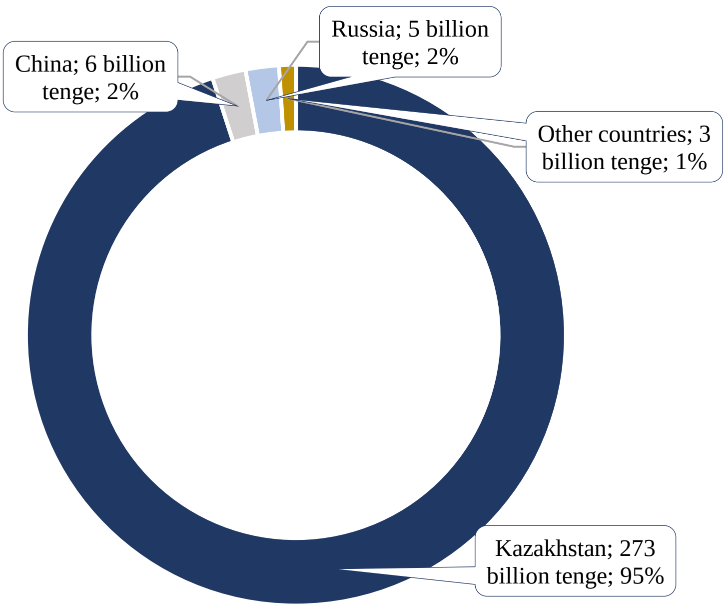
** PEFs denominated in tenge. Converted at the KASE exchange rate as of 31 December 2024: KZT 523.51 per USD.*

Chart 11: QIC's portfolio investments by industry cumulatively



By the end of 2024, QIC's portfolio included 125 projects (excluding startups), with 95% of them located in Kazakhstan.

Chart 12: QIC portfolio investments by country cumulatively

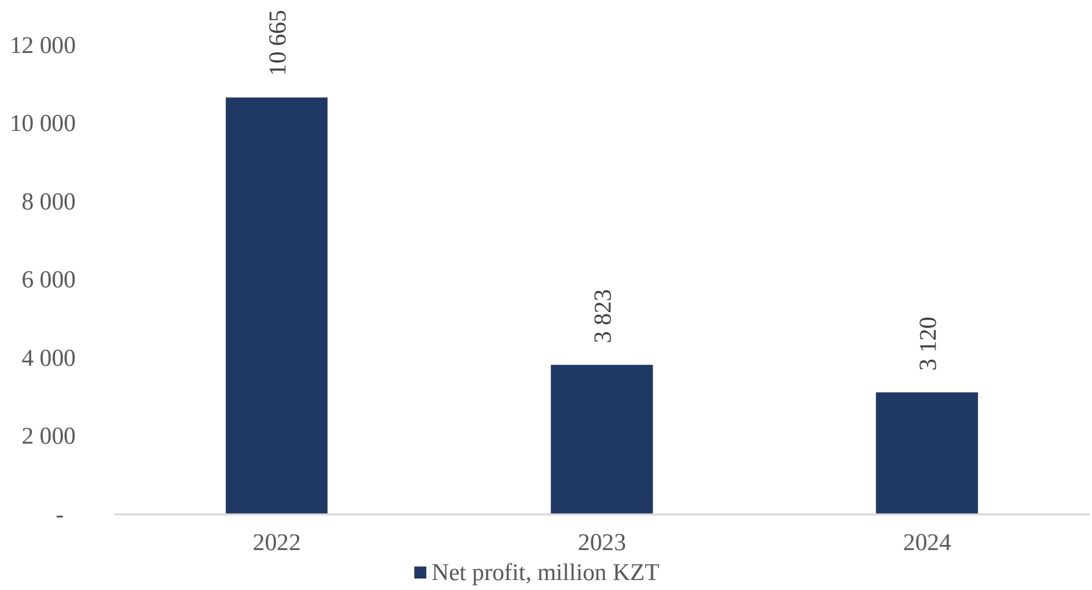


1.2.2. Financial and economic indicators

The analysis of QIC's financial condition and performance for the period 2022-2024 is based on QIC's audited financial statements.

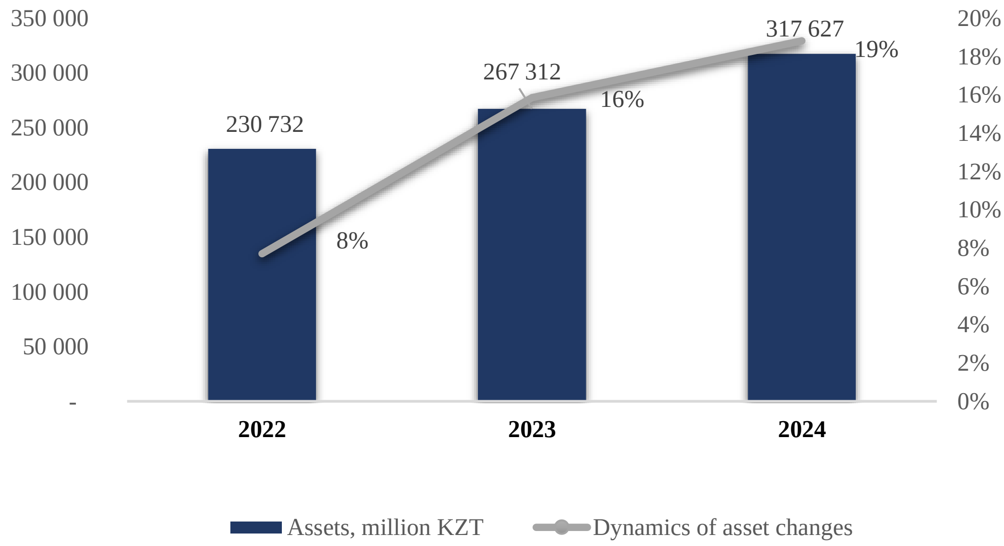
According to the audited financial statements for 2024, a positive financial result of KZT 3,120 million was recorded.

Chart 13: Net profit



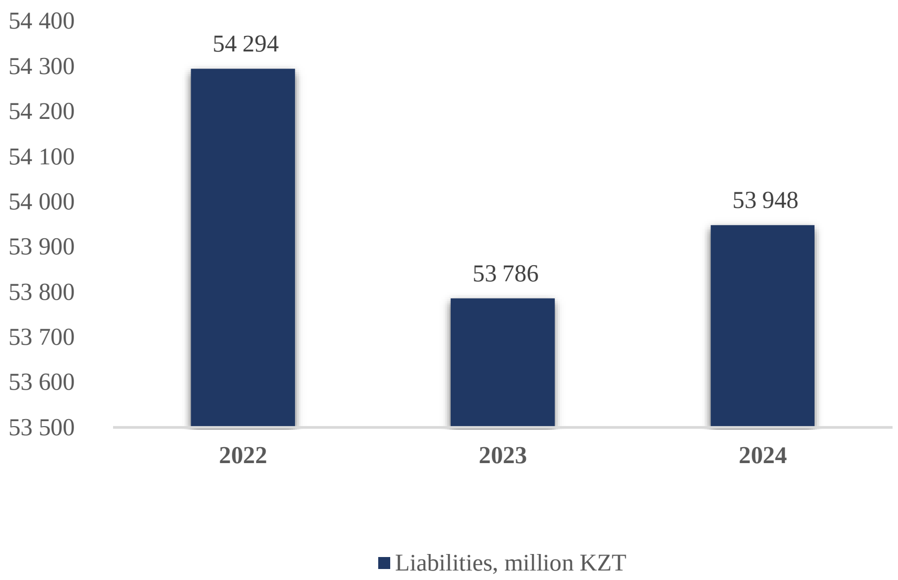
As of 31 December 2024, total assets amounted to KZT 317,627 million, representing an 18.8% increase (or KZT 50,315 million) compared to 2023. The growth was driven by the positive revaluation of private equity funds (PEFs) and cash inflows from core operating activities.

Chart 14: Assets



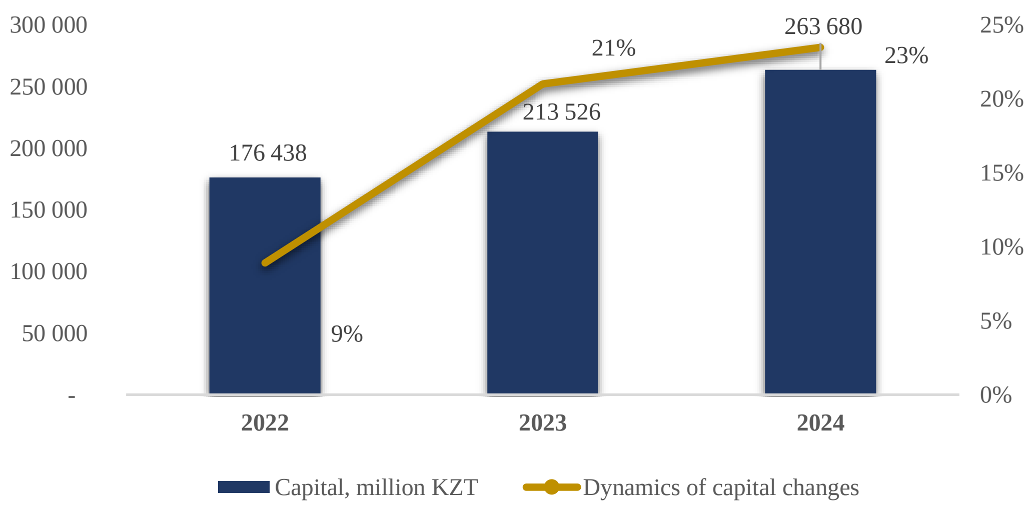
As of the end of 2024, total liabilities amounted to KZT 53,947 million, including: KZT 50,406 million in issued debt securities, KZT 1,193 million in government subsidies, KZT 663 million in deferred tax liabilities, KZT 492 million in current tax liabilities, and KZT 1,193 million in other liabilities.

Chart 15: Liabilities



As of 31 December 2024, equity amounted to KZT 263,680 million, compared to KZT 213,526 million for the same period in 2023. The increase of KZT 50 billion was driven by capitalization through additional funding. During the reporting period, dividends in the amount of KZT 2,676 million were paid to the Sole Shareholder.

Chart 16: Capital



1.2.3. Corporate governance

The Corporation's corporate governance system represents a set of processes that ensure effective management and oversight of its activities, as well as a framework of relationships between the Sole Shareholder, the Board of Directors, the Management Board, other corporate bodies, and stakeholders, all in the interest of the Sole Shareholder. It also encompasses the Corporation's interaction with its subsidiaries.

QIC views corporate governance as a tool to enhance operational efficiency, ensure transparency and accountability, strengthen its reputation, and reduce the cost of capital. The Corporation regards a sound corporate governance system as its contribution to the rule of law in the Republic of Kazakhstan and a key factor in determining its role in the modern economy and society at large. The system of corporate governance provides for a clear delineation of powers and responsibilities among the governing bodies, officials, and employees of the Corporation.

QIC's Corporate Governance Code was approved by the resolution of the Management Board of Baiterek Holding on January 12th 2018. The Code serves as a set of rules and recommendations followed by the Corporation in its operations to ensure a high standard of corporate governance both internally and in its interactions with market participants.

The Corporation's corporate governance is built on the principles of fairness, integrity, accountability, transparency, professionalism, and competence. An effective corporate governance structure ensures respect for the rights and interests of all stakeholders and contributes to the Corporation's long-term success.

1.2.4. Risk management system

QIC has an established Board-approved structure that clearly defines the participants in the corporate risk management system. The structure includes a Risk Management Department that reports to the Managing Director, a member of the Management Board of QIC, and operates as an independent unit within the organization.

The approved Risk Management Policy is a fundamental internal document of QIC. It defines the organizational structure of risk management and outlines the roles and responsibilities of the governing bodies, committees, and structural units involved, including the Sole Shareholder, the Board of Directors, the Audit and Risk Committee, the Management Board, the Investment Committee, the Risk Management Department, the Internal Audit Service, and other departments of the Corporation.

The main objectives of the risk management system are as follows:

- to establish an effective, integrated risk management system and process as an integral part of QIC, while continuously improving its operations based on a unified and standardized approach to risk management methods and procedures;
- to enhance operational efficiency and ensure sustainable development of QIC by reducing losses, increasing profitability, and optimizing capital utilization;
- to ensure that QIC accepts risks that are appropriate to the scale and nature of its activities;
- to ensure the uninterrupted operation of QIC in crisis situations.

1.2.5. Implementation of ESG principles

The concept of responsible investment, which includes consideration of ESG factors (Environmental, Social, and Governance) in the investment process, is becoming an increasingly important part of decision-making in the field of private equity.

In accordance with the Sustainable Development Policy, QIC integrates sustainability principles into the following processes:

- the investment decision-making process;
- strategy development and planning;
- corporate governance;
- operational activities;
- risk management and internal control;
- financial support of project companies and monitoring of the project cycle.

QIC strives to integrate ESG factors at all stages of the investment process – from project sourcing to the monitoring of the environmental and social impact of funded projects. The ESG integration approach involves assessing the risks and opportunities identified through the analysis of environmental, social, and governance factors that are materially significant to QIC.

In October 2022, QIC joined the UN-supported Principles for Responsible Investment (UN PRI), becoming the first quasi-state financial institution in the CIS to join the leading international network of institutional investors committed to embedding ESG standards into their investment activities.

Members of the UN PRI include institutional investors, such as international private equity funds, focused on promoting and implementing responsible investment practices within the industry. PRI members commit to following the six principles for responsible investment:

- incorporating ESG standards into investment analysis and decision-making processes;
- considering ESG factors in policies and practices;
- requiring investee entities to disclose information on environmental, social, and governance issues;
- promoting acceptance and implementation of ESG principles within the investment industry;
- enhancing the effectiveness of implementing responsible investment principles;
- reporting on activities and progress in implementing the principles.

April 2023, QIC joined the United Nations Global Compact (UNGC). The UNGC is the world's largest initiative in the areas of human rights, labor, environment, and anti-corruption. Companies that sign the UNGC commit to upholding these principles and integrating them into their strategies, cultures, and operations. The UNGC was established to promote sustainable and responsible business practices.

QIC's accession to the UNGC will support further integration of corporate social responsibility principles, the implementation of joint educational and acceleration programs, and the promotion of the UN's ten universal principles and values among the Corporation's stakeholders.

As a key driver of private equity infrastructure development in Kazakhstan, QIC evaluates project proposals for compliance with ESG criteria. The Corporation also plans to develop additional tools to monitor related risks throughout the entire project life cycle. In addition, to enhance transparency and the quality of disclosed information for stakeholders, QIC ensures regular sustainability reporting in accordance with internal regulations and the Global Reporting Initiative (GRI) Sustainability Reporting Standards.

1.3. Comparative analysis of QIC's activities with peer companies

Three companies were selected based on their relevance to QIC: SIFEM (Swiss Investment Fund for Emerging Markets), Mubadala (United Arab Emirates), and KFW DEG (Germany). Most of these organizations employ various instruments while taking into account their mandate for economic development, and at the same time aim to be profitable and financially self-sustaining.

Table 5: Comparative analysis of QIC's activities with peer companies[13]

	SIFEM SWISS INVESTMENT FUND FOR EMERGING MARKETS	MUBADALA	KFW DEG	QIC QAZAQSTAN INVESTMENT CORPORATION
Country	***Switzerland***	***UAE***	***Germany***	***Kazakhstan***
Investment geography	*Africa* ***32,0%*** *Asia* ***41,0%*** *Latin America* ***16,0%*** *Global* ***1,0%*** *CIS, Central and Eastern Europe* ***10,0%***	*North America* ***33,6%*** *Asia* ***9,5%*** *Europe* ***33,6%*** *Africa and the Middle East* ***21,2%*** *Latin America* ***2,1%***	*Asia* ***27,9%*** *Latin America* ***29,7%*** *Africa and the Middle East* ***26,6%*** *Europe* ***11,4%*** *Other* ***4,0%***	*Kazakhstan* ***95%*** *Asia* ***2%*** *Russia* ***2%*** *Other countries* ***2%***
Support for medium and large businesses	✓	✓	✓	✓
Investments by sector (Top 4)	*Financial intermediation* ***40,0%*** *Energy and water supply* ***12%*** *Consumer goods* ***9,0%*** *Healthcare* ***9,0%***	*Consumer goods and services (B2C)* ***16%*** *Healthcare* ***17,3%*** *IT* ***14,5%*** *Business products and services (B2B)* ***13,8%***	*Financial sector* ***32,0%*** *Infrastructure (energy)****14,0%*** *Industry / Manufacturing* ***13,0%***	*Manufacturing industry* ***25%*** *Transport and logistics* ***25%*** *Food products* ***17%*** *Agro-industrial complex* ***12%***

[13] Public data from SIFEM, Mubadala, DEG

		Technology, Media, Telecommunications ***26,9%***	*Infrastructure (other)**8,0%***	*Energy sector* ***12%*** *Healthcare and education* ***4%*** *Other* ***5%***
ESG Principles	✓	✓	✓	✓
Number of funds	***~160***	***30+***	***100+***	***18***
AUM	***$1,2 billion***	***$330 billion***	***€11,6 billion***	***$1,9 billion***

As a rule, the above-mentioned organizations have a broad investment and geographic mandate. Their investment focus is continuously refined to address market imbalances and identify additional growth opportunities. Their operations are carried out with consideration for ESG principles.

Swiss Development Finance Institution (hereinafter – SIFEM) is a Swiss development finance institution. SIFEM is owned by the Swiss government and serves as an integral part of the country's economic development cooperation instruments. Overall, SIFEM operates as an independent entity in terms of its organizational structure and business management.

SIFEM invests in local or regional private equity and venture capital funds and provides credit lines to local banks and other financial institutions, often in cooperation with other financial institutions and private investors. SIFEM works with fund managers and financial institutions not only to deliver appropriate financial solutions, but also to enhance the value of local businesses. SIFEM's role goes beyond the provision of long-term financing and aims to strengthen the capacity of local fund managers and financial institutions to manage environmental, social, and governance (ESG) risks at the level of their underlying portfolios.

The portfolio consists mainly of private equity funds investing in growth-stage companies and SMEs (60%), infrastructure (3%), and income funds (15%). Investments in microfinance account for 8%, while other financial intermediaries make up 14% of the portfolio.

Deutsche Investitions- und Entwicklungsgesellschaft GmbH (hereinafter – DEG) – is a subsidiary of KfW that invests in private companies operating in developing and emerging market countries. DEG finances projects of private sector enterprises that are economically viable, sustainable, and socially and environmentally responsible.

DEG provides companies with long-term investment capital in the form of loans or equity, which is often difficult to obtain in developing and emerging economies.

DEG's portfolio is organized into client clusters and consists of private equity funds (28%) and three client clusters: project finance (17%), corporates (28%), and financial institutions (27%). Each cluster includes both private debt and equity transactions.

Mubadala Investment Company (hereinafter – Mubadala).

Mubadala is an Emirati state-owned holding company that operates as a sovereign wealth fund. Mubadala's mandate is to support the diversification of Abu Dhabi's economy by investing the UAE's oil revenues and managing a diversified portfolio of assets and investments both in the United Arab Emirates and internationally, in order to generate sustainable financial returns for its shareholder, the Government of Abu Dhabi.

1.4. Key priorities of the state economic policy and the Development Plan of «Baiterek» NMH» JSC

QIC, within the framework of its Development Strategy, is guided by the key directions of the state policy in the areas of industrial and innovation development, attracting investment into non-primary sectors of the economy, development of medium and large-sized enterprises, as well as other objectives set by the President and the Government of the Republic of Kazakhstan.

To define the main vectors of the country's development, the National Development Plan of the Republic of Kazakhstan until 2029 outlines a number of strategic directions and nationwide priorities.

In particular, «Baiterek» NMH» JSC and its subsidiaries are involved in the implementation of the following strategic directions of the National Development Plan of the Republic of Kazakhstan until 2029:

1) high quality of life;
2) a strong economic foundation;
3) new growth drivers;
4) cross-cutting transformation of the economy and society.

The main strategic priorities of «Baiterek» NMH» JSC are:

1. support for entrepreneurship;
2. development of the equity financing ecosystem;
3. provision of housing for the population.

The Concept for Kazakhstan's accession to the list of the world's 30 most developed countries identifies the key elements of a developed economy – investment and entrepreneurship.

The foundations for economic growth should be long-term productivity growth, diversification of production and exports, as well as the development of business sectors through the attraction and active use of both external and internal resources.

In line with the Holding's mission to promote the sustainable growth of Kazakhstan's economy by supporting the production of domestic goods and services, modernizing infrastructure, and strengthening food security on the basis of social responsibility, QIC contributes to the implementation of key tasks outlined in the Holding’s Development Plan, including:

1) development of non-primary sectors of the economy;
2) entrepreneurship development;
3) development of the manufacturing industry;
4) support for non-primary exports;
5) increasing labor productivity;
6) development of a competitive agro-industrial complex (AIC);
7) enhancing the investment attractiveness of the economy;
8) improving the well-being of the population.

As part of the Holding's Development Plan, QIC is actively engaged through private equity tools in the following strategic areas: «Support for Entrepreneurship» and «Development of the Equity Financing Ecosystem».
For example, to support entrepreneurship, QIC makes private equity investments through private equity funds (PEFs), using equity participation mechanisms aligned with the sectoral priorities of Kazakhstan’s national projects

In addition, QIC's portfolio PEFs have the ability to attract additional investments from international institutional investors through co-investment agreements, enabling other investors to participate in potentially high-yield opportunities.

To enhance the country’s export potential, QIC, together with other subsidiaries of «Baiterek» NMH» JSC, such as ECA, DBK, ACC, and Damu, will continue to provide comprehensive support aimed at increasing the number of Kazakhstani exporters and opening new markets for existing exporters.

Furthermore, in line with the strategic priority of developing the equity financing ecosystem, QIC will continue its efforts to develop venture capital markets, equity financing, and distressed asset markets.

1.5. SWOT Analysis

SWOT analysis is a strategic planning tool used to assess a company's competitive positioning and to develop its future development strategy. This analysis evaluates the internal and external factors influencing QIC’s current operations and summarizes the risks and opportunities that lie ahead in the Corporation’s institutional development.

Table 6: SWOT analysis

Strengths	Opportunities
• As a subsidiary of the Baiterek Holding responsible for private equity, we benefit from strong support from the shareholder and the government.	• Growing demand from local companies for alternative financing sources such as private equity.

• The only institutional investor in Kazakhstan with 18 years of experience in the local alternative assets market and extensive expertise in the creation and participation in international private equity funds (PEFs). • A wide network of international investors and fund managers (including private players and multilateral financial institutions). • Effective management of investment and treasury portfolios. • Operator of state programs (a stable source of budgetary funding). • Experience in co-investments with international institutional investors. • Implementation of the «responsible investment» concept. • Opportunity to contribute to the development of the legal framework for the private equity market in Kazakhstan.	• Opportunity to become a global player in the private equity market by expanding the company's presence into new markets. • Kazakhstan's unique position as a gateway to the Central Asian region, where QIC can serve as a key strategic institutional partner for new international investors. • Active development of the distressed assets market and implementation of the President's directive to return stressed assets into economic circulation. • Rapid growth of the venture capital ecosystem in Kazakhstan. • Need to further enhance the competitiveness of local SMEs. • Ability to attract liquidity from non-governmental sources. • Demand for increased investment in the development and modernization of infrastructure. • Contribution to stimulating liquidity in the local capital market by encouraging domestic projects to IPO on KASE/AIX. • Knowledge exchange and capacity building through a broad business network.
Weaknesses	**Threats**
• The country's investment attractiveness is highly dependent on the current geopolitical situation in Eurasia. • The investment portfolio is concentrated in Kazakhstan, lacking geographic diversification. • Limited financial resources and liquidity. • Shortage of staff and high workload. • Bureaucratic processes. • Lack of government support for the private equity market. • Gaps in local legislation regarding private equity and alternative investments. • Low capital market liquidity and limited exit opportunities.	• Deterioration of the macroeconomic situation in the country due to geopolitical factors, which would directly impact Kazakhstan's investment attractiveness. • Foreign exchange risks and devaluation of the national currency, leading to reduced returns on local investments in USD terms. • Limited number of high-quality investment projects. • Downgrade of credit ratings (Kazakhstan, Baiterek, QIC).

QIC will continue to leverage its unique investment mandate in the field of private equity and its significant investment experience to increase investment volumes in the non-primary sector of the economy. This will be achieved through support for the implementation of major state programs and participation in the development of export-oriented projects, thereby fostering enterprises with strong potential to expand into regional markets.

In addition, QIC will focus on enhancing return levels and diversifying capital sources by participating in private equity funds that invest in alternative asset classes with development potential in the Kazakhstani and Central Asian markets, such as distressed assets and venture capital.

2. Mission and Vision of QIC

Mission of QIC is to promote sustainable economic growth of the Republic of Kazakhstan by supporting the development of the non-primary sectors through private equity investments, fostering entrepreneurship, and attracting international capital.

Vision of QIC is to become a leading institutional investor in Central Asia, recognized for driving economic diversification, supporting responsible investment practices, and creating long-term value for stakeholders.

3. Strategic development priorities, goals, and objectives of QIC

To achieve its mission and vision, QIC will focus on the following areas of development:

1. development of the private equity ecosystem in Kazakhstan;
2. development of the alternative assets market in Central Asia;
3. global strategic asset allocation.

Table 7: Strategic directions, goals, and objectives of QIC

№	Strategic priorities	Goals	Objectives
1.	Development of the private equity ecosystem in Kazakhstan	1.Development of private equity market infrastructure 2.Entrepreneurship support	1. Active participation in the development of the legal and institutional framework to ensure transparent and efficient functioning of the local private equity market in line with international standards. 2. Promotion and increased awareness of equity financing instruments among local entrepreneurs.
2.	Development of the alternative assets market in Central Asia	To take on the role of a key investment player and strategic partner in the Central Asian region	1. Development of the venture capital market. 2. Development of the distressed assets market. 3. Development of the local and regional private equity market.
3.	Global strategic asset allocation	Strategic allocation of assets across different geographic regions and investment areas to enable the transfer of technology, innovation, and expertise, and to create added value from investments	1. Expanding partnerships with the international investment community. 2. Investing in private equity funds managed by experienced international fund managers, with a focus on global megatrends. 3. Further integration of the «responsible investment» concept within QIC.

For each of the strategic priorities outlined in Section 4 of this Development Strategy, QIC has defined strategic key performance indicators (KPIs) with target values set for the year 2033.

Detailed sub-objectives with annual interim targets and corresponding activities will be included in QIC's Development Plan, which is approved by the QIC Board of Directors for a five-year period.

3.1. Strategic Objective 1"Development of the Private Equity Ecosystem in Kazakhstan"

Goal: *Development of private equity market infrastructure*

QIC serves as a key driver of the private equity (PE) market in Kazakhstan and focuses on the development of the market's infrastructure. As the local PE market is still in its formative stage, it requires the establishment of an institutional framework aligned with international standards. Moreover, a series of economic crises have further exposed the vulnerabilities of the real sector – namely, limited resilience, high indebtedness, and a shortage of working capital during periods of economic downturn. As a result, there is an increasing need for alternative financing mechanisms, particularly equity financing.

To address this issue, the Corporation will actively promote awareness of the private equity market and equity financing instruments among the local entrepreneurial ecosystem. One of the priority areas under this strategic course is the transformation of QIC's internal investment architecture. In particular, QIC will shift from a captive investment model toward a more institutional approach, which will include:

- Focusing on a limited number of high-quality investment projects;
- Deepening sectoral specialization;
- Structuring deals with flexibility and tailored approaches;
- Actively participating in the strategic management of portfolio companies.

To enhance the investment attractiveness of portfolio companies and prepare them for potential public listings, QIC will implement tools aimed at increasing transparency and operational efficiency. These tools include the adoption of best practices in corporate governance, requirements for the transparency of executive bodies' activities, mandatory external audits of financial statements, and other measures to strengthen the trust of potential investors and partners.

Special attention will be given to supporting medium and large businesses with strong growth potential, scalability, and multiplier effects for the broader economy. QIC also plans to gradually increase the share of equity financing in its overall investment portfolio to at least 70% annually. This will strengthen project capitalization by attracting partner co-investments and establishing a more sustainable financing structure.

In this context, QIC will explore the possibility of establishing a specialized commodity-focused fund aimed at consolidating key players in the crop production sector and facilitating international export of Kazakhstani goods under market-based conditions. The fund would ensure stable and adequate returns for agricultural producers. It could also serve as a platform for uniting leading traders who influence domestic price formation, with opportunities for participation in both financial and material forms (e.g., rolling stock, storage terminals, and other assets). This would lay the foundation for a robust commodity distribution infrastructure and improve export access for domestic agri-products.

Collectively, these measures will reinforce QIC's institutional role in supporting entrepreneurship and building a sustainable private equity ecosystem in Kazakhstan.

Additionally, QIC is developing an "in-house General Partner" (in-house GP) model through its subsidiaries BV Management and Baiterek Venture Fund. This initiative aims to enhance the professional capabilities of the Corporation's internal fund management structures. QIC aspires to ensure that its in-house GP units operate in full alignment with leading international standards in investment analysis, fund management, and corporate decision-making. Over time, this approach is expected to reduce reliance on external (including foreign) fund managers when implementing investment initiatives.

The key objectives under this strategic goal are:

1. Active participation in the development of the legal and institutional framework to ensure the transparent and effective functioning of the local private equity market in line with international standards.
2. Promotion and increased awareness of equity financing instruments among local entrepreneurs.

Goal: *Entrepreneurship support.*

Modern quasi-sovereign private equity funds are increasingly shifting toward market-oriented management models focused on attracting capital from external investors, diversifying assets, and mitigating risks. Moving away from closed corporate structures toward fund management company models allows for greater scalability, stronger market positioning, and enhanced resilience. The adoption of international best practices in fund management supports the development of professional expertise, effective asset management, and the creation of a competitive investment environment aligned with global standards.

To support entrepreneurship, QIC will continue to leverage its unique private equity investment mandate and extensive experience in investment activities. The Corporation will provide repayable financial support through its captive private equity funds, as well as via access to both external and domestic debt capital markets. These resources will be directed toward financing enterprises in non-extractive sectors of the economy, including manufacturing, social infrastructure, sustainable energy, agriculture, and projects with high export potential and aimed at addressing regional development imbalances.

To implement the stated priorities and promote the sustainable development of the national economy, an increase in the charter capital of JSC “NMH Baiterek” is planned in 2025, followed by an increase in the charter capital of QIC in the amount of 500 billion tenge.

Amid the current global macroeconomic environment and its impact on domestic economic processes in Kazakhstan, QIC adheres to a proactive approach in identifying and building a pipeline of promising projects through close cooperation with specialized organizations and partners. QIC will also invest its own capital in non-resource sectors such as advanced technology production, green technologies, renewable energy, and social initiatives.

Furthermore, to modernize, optimize production processes, and upgrade the technological base of its portfolio companies, QIC will provide cross-portfolio support for the implementation of technological and innovative solutions.

To this end, QIC will carry out a series of initiatives aimed at supporting domestic startups through its subsidiary, BGlobal Ventures Ltd., whose primary mission is to develop the venture capital ecosystem in Kazakhstan and the wider Central Asian region. BGlobal Ventures' acceleration programs will offer access to cutting-edge technological solutions and help build a project pipeline for QIC’s existing venture funds. These solutions will be integrated into financed projects, thereby supporting the development of regional startups, generating demand for their products, and facilitating the modernization of local industries such as AgriTech, BioTech, and EduTech – ultimately enhancing the performance of project companies.

Special attention will be given to the development of human capital through strengthening the experience and expertise of captive investment teams. In addition, QIC will continue to integrate ESG factors into its operational and investment processes to improve the overall quality and sustainability of its portfolio

3.2. Strategic objective 2 «Development of the Alternative Assets Market in Central Asia»

Goal: *To take the role of a key investment player and strategic partner in the Central Asian region.*

Given Kazakhstan’s strategic geographic location, strong economic development indicators, ongoing economic reforms, favorable business environment, and the advantages offered by the Astana International Financial Centre (AIFC) – which operates under English common law – the country holds significant potential to become a regional investment hub for Central Asia.

Amid the region's growing investment appeal, and leveraging its accumulated experience in the alternative asset class segment, local market expertise, and the support of its Sole Shareholder – Baiterek Holding, as well as the Government of the Republic of Kazakhstan, the Corporation is well positioned to assume a leading role as a key investment player and strategic partner in Central Asia for international investors and asset managers, thereby contributing to the inflow of foreign direct investment.

To this end, the Corporation will focus its activities on the development of the alternative assets market.

1. Development of the venture capital market.

In global practice, venture capital plays a central role as the primary source of funding for innovation and technology commercialization. At the early stages of developing a venture capital market, governments typically play a key role by co-financing venture funds, offering incentives, and reducing the tax burden for innovative firms and venture-backed enterprises.

As an international fund of private equity funds, QIC acts as an investor in venture capital funds alongside international partners to improve access to financing for regional startups at various stages of development. As part of its venture capital strategy, QIC will co-finance venture funds while supporting their strategic operations as an institutional investor. The Corporation will also promote the adoption of international standards and best practices within the industry and contribute to the dissemination of analytical materials on the activities of venture market participants.

These measures are aimed at the gradual integration of Kazakhstan's venture capital ecosystem into the global innovation landscape.

To support the development of the venture capital ecosystem, QIC's subsidiary – BGlobal Ventures will operate in the following areas:

1) Establishment and management of venture funds focused on financing technology startups;
2) Development as a fund management company to ensure efficient management of investment assets;
3) Launch and expansion of venture funds investing at early stages – from pre-seed to Series A and beyond;
4) Implementation of educational programs for participants in the venture ecosystem (startups, investors, incubators, and accelerators);
5) Active participation in events aimed at promoting investment activity, including venture financing.

QIC will strengthen cooperation with key players in the venture and startup ecosystem, including private venture funds, accelerators, incubators, technology parks, and educational platforms. This collaboration is aimed at developing regional innovation support infrastructure and fostering the growth of technology-driven projects with export potential.

Table 8: The main options for QIC participation in the venture financing market

	Participation as a co-GP alongside international asset managers and deployment of existing capital for investments	**Вступление в качестве LP в венчурные фонды с имеющимся капиталом/ привлечением дополнительного капитала от акционера**	**Создание собственных венчурных фондов с дополнительным капиталом от акционера/ государства и третьих лиц**
Description	To gain experience and knowledge in the field of venture financing, it is possible to consider partnerships as co-GP with recognized and reputable management companies/venture funds. Since joint management requires a hands-on approach, QIC has the opportunity to work closely with leading venture capital firms to build deeper relationships and gain a better understanding of their investment strategies, structures, and processes.	With a deeper understanding of the specifics of investing in venture funds, it is possible to invest in international venture funds as an LP in order to increase investment income and build business contacts with leading international players.	Having gained experience and understanding of the strategy and processes of venture financing, QIC has the opportunity to create its own venture funds, together with a strategic partner (for example, a joint venture with an experienced regional GP). For example, it is possible to create a fund in the amount of 2-3 million dollars. The United States, with the participation of the state, for the development of entrepreneurship and innovation in Kazakhstan.
Ownership	• Non-controlling interests	• Non-controlling interests	• Non-controlling interests
Geography and stage	• Focus on global and regional funds with a mandate for Central Asia • Rounds at both seed and post-seed stages.	• Focus on global and regional funds with a mandate for Central Asia	• Focus on global and regional funds with an investment mandate for Central Asia. • Rounds at both the seed and post-seed stages.
Partner	• Co-investing with experienced GPs to gain greater expertise (this approach will help QIC build its business network in the venture capital market and strengthen its internal capabilities as a GP).	• A fund with a strong track record and an experienced GP.	• Partnership with an experienced GP and/or LP in the venture capital market.

2. *Development of the Distressed Assets Market.*

Kazakhstan is currently undertaking systematic efforts to develop market-based mechanisms for the resolution of distressed assets. The main objective is to reintegrate distressed assets into the economy by creating institutional conditions that facilitate the entry of private investors and asset managers into the distressed assets market, as well as by increasing transparency in transactions through the establishment of a specialized digital platform.

To this end, relevant amendments have been introduced into the legislation on the development of the distressed assets market. These include expanding the list of authorized buyers to allow participation by private investors, including non-residents, and establishing a framework for servicing companies that will provide investors with support services related to the management and servicing of non-performing loans.

To support the recovery of the distressed assets market and their reintegration into economic circulation, it is proposed to establish a regional private equity fund or special purpose vehicle (SPV) with QIC acting as an anchor investor and involving an international GP with extensive experience in this segment. The PEF/SPV will invest in distressed assets or projects with sound business models and strong intrinsic value, with the goal of asset recovery and value creation through restructuring.

Table 9: The main options for QIC participation in the stress asset market

	Creation of a joint venture with regional and/or international GP to manage a new fund with equity from a shareholder	**Hiring an experienced team to manage a new fund with equity from a shareholder**	**Participation as an LP in a stress asset fund with additional funds from a shareholder**
Description	Taking into account QIC's lack of experience in managing stressful assets and the associated level of risk, the possibility of establishing a joint venture with a regional/international GP in which the GP would manage the fund for QIC should be considered: **Ownership:** sharing a controlling interest with a joint venture partner **Geography:** focus on Kazakhstan **Partner:** Partnering with an experienced GP in the international stress asset market to manage the fund. Given the specifics and complexities of managing this asset class, collaboration with an experienced GP is a key component (i.e., a high level of expertise in valuation, restructuring, law, and bankruptcy management is required).	To gain experience in the stress asset market, you should consider hiring an experienced team (4-5 people) with extensive knowledge of distressed bank debt, bankruptcy management, as well as areas such as law, banking, valuation, and restructuring. This investment team will manage the available capital or a dedicated pool of funds. At the same time, QIC captive team can be engaged as a co-GP to provide expertise on the local market and projects. This will increase QIC's internal competencies in managing funds of stressful assets.	In the longer term, after the development of the distressed asset market and if there are active fund managers in the Kazakhstan market, the option of participating in the market as an LP should be considered, following the criteria below: **Ownership:** minority stake in the fund (10-20%) **Geography:** Kazakhstan and Central Asia **Target Fund:** A fund with a good history and an experienced GP. The fund should be selected based on a properly conducted Due diligence process.

3. Development of the local and regional PE market

QIC will continue to strengthen its cooperation with the global investment community through the establishment of new private equity funds and by seeking opportunities for co-investment with major international investors.

Efforts will also continue to launch new initiatives aimed at developing the local and regional private equity market, including mobilizing additional financing from international financial institutions and the global investment community.

The focus will be on attracting private investors to participate in regional funds designed to address the region's socio-economic challenges and contribute to the achievement of the Sustainable Development Goals.

3.3. Strategic objective 3 «Global Strategic Asset Allocation»

Goal: *Strategic allocation of assets across geographic regions and investment areas to facilitate the transfer of technology, innovation, and expertise, and to create added value from investments.*

To ensure strategic asset allocation across different geographic regions and investment areas – targeting sources of economic growth including global demand, innovation, and value creation – QIC will focus on the following priorities:

1. Expanding partnerships with the international investment community;
2. Investing in PEFs managed by experienced international asset managers, with a focus on global megatrends;
3. Further integration of the "responsible investment" concept into QIC's operations.

As part of these priorities, QIC will deepen its cooperation with the global investment community to gain access to fundraising opportunities through high-potential international funds and to enhance the expertise and competencies of the QIC team.

QIC is considering the possibility of expanding cooperation with Islamic countries by developing equity financing mechanisms that comply with the principles of Islamic investing. In this regard, particular interest lies in the establishment of private equity funds with the participation of partners from countries with well-developed Islamic financial systems, which would provide access to capital and investment expertise.

The Corporation is consistently developing a G2G (Government-to-Government) investment model, which forms an important part of its broader investment strategy aimed at strengthening international cooperation and implementing joint initiatives with foreign government institutions. The development of this G2G approach is integrated into QIC's strategic priorities and is viewed as a key pillar of its future growth. This includes proactive engagement on investment projects involving foreign state entities and development finance institutions.

QIC will invest in international private equity funds that are focused on building a high-quality and resilient portfolio aligned with prevailing global megatrends.

The Corporation will prioritize investments in the following megatrend clusters:

- *Productivity enhancement:* A key driver of sustainable economic growth amid limited resources, demographic challenges, and intensifying global competition. Key enablers include rapid advancements in digital technologies (e.g., automation, AI, and data analytics), aging populations and labor shortages, the need for resource efficiency, and environmental sustainability—all creating strong demand for solutions that improve operational efficiency, reduce costs, and increase value creation.
- *Sustainable investment:* Including decarbonization, waste management, water conservation, and pollution reduction.
- *Industry 4.0:* Digital transformation, global logistics, internet-based networks, and the sharing economy (online platforms).
- *Technology and innovation:* Big Data and analytics, robotics and automation, and Innovative Business Models.

The primary objective of participating in international PEFs within these clusters is to facilitate the transfer and potential localization of advanced technologies, know-how, and production in Kazakhstan – through collaboration with global strategic partners originating from these funds. Additionally, such participation will help open new export markets for Kazakhstani companies by creating demand for domestic goods and services within the portfolio companies of these global PEFs.

The global capital market is increasingly channeling investment flows toward sectors, enterprises, and assets that demonstrate a responsible approach to environmental, social, and governance issues and strive to deliver positive environmental and social outcomes. Ignoring ESG considerations risks closing access to capital markets in both the medium and long term – for individual companies and for the country as a whole. Therefore, fostering a favorable investment climate through the adoption and adherence to ESG principles is a critical element of Kazakhstan's investment ecosystem development.

Kazakhstan is taking active steps to decarbonize its economy. In early 2023, the Government adopted the Strategy for Achieving Carbon Neutrality by 2060 as part of its commitments under the Paris Agreement. According to this strategy, Kazakhstan aims to reduce greenhouse gas emissions by 15% from 1990 levels by 2030 (unconditional target), or by up to 25% with access to international investments for decarbonization (conditional target).

In addition, the provisions of the Environmental Code of Kazakhstan and the Investment Policy Concept place strong emphasis on attracting foreign investment, facilitating the transfer of green technologies, and providing state support for such initiatives.

In turn, as part of its ongoing integration of responsible investment principles, QIC will continue to grow its portfolio of green investments. Investing in sustainable, green projects directly supports Kazakhstan's strategic climate goals, enhances regional environmental outcomes, attracts international financial institutions, and facilitates FDIs.

In line with Baiterek Holding's Development Plan, QIC will continue to advance the following ESG-related priorities:

- Obtaining or confirming an international ESG rating;
- Supporting the implementation of Kazakhstan's national low-carbon development agenda;
- Promoting sustainable finance instruments aligned with ESG principles;
- Improving transparency, including ESG-related disclosures, in accordance with international and national reporting standards;
- Enhancing human resources policies in line with ESG standards;
- Encouraging responsible procurement practices;
- Gradual integration of ESG risks into QIC's broader risk management system.

To strengthen its international reputation, foster investor trust, and promote cross-border capital flows, QIC will continue to implement and adhere to ESG principles.

4. Expected results

As part of each strategic direction, QIC will conduct regular monitoring of progress toward the set objectives using KPIs.

Table 10: Key performance indicators (KPIs) and the methodology for calculating them.

№	Strategic key performance indicator	Unit of measurement	Calculation methodology	Value for 2033	Data source
Strategic direction 1 “Development of the private equity ecosystem in Kazakhstan”					
1.	The share of the investment portfolio of total QIC assets (excluding treasury operations)	%	D = I/A, where D = the share of the investment portfolio of total assets; I = QIC investment portfolio (excluding Treasury operations); A = total assets at the end of the reporting period (cons).	80	Financial statements/ Report on the implementation of the Development Plan for the reporting year QIC /QIC data
2.	Volume of new investments per year (including captive funds)	billion KZT	The amount of serviced payment requirements from PEFs and SUBs ("cash calls") for the reporting period, minus refunds of unused PEFs and SUBs funds for projects during the reporting period	130	Financial statements/ Report on the implementation of the Development Plan for the reporting year QIC /QIC data
3.	Increasing the share of equity financing	%	D = C/I, where: D = share of equity financing from the total investment volume per year; C = total amount of equity financing; I = total investments per year.	70	Financial statements/ Report on the implementation of the Development Plan for the reporting year QIC /QIC data

4.	Investments in fixed assets in the manufacturing industry	mln. KZT	The amount of financing for projects in the manufacturing sector (for the year up to 2033), (2033 with accumulation from 2025).	20,638	Report on the implementation of the QIC Development Plan for the reporting year / QIC data
5.	The share of non-governmental sources of borrowing in the total borrowing structure	%	X / Y * 100, where: X = Nominal value of non-state borrowing with accumulation; Y = Nominal value of total borrowing with accumulation.	49,80%	Financial statements/ Report on the implementation of the Development Plan for the reporting year QIC /QIC data
Strategic direction 2 “Development of the alternative asset market in Central Asia”					
6.	Number of new QIC initiatives in the PE market	unit cum.	Number of officially launched new initiatives (programs or investment platforms/funds) (cumulative)	12	Report on the implementation of the QIC Development Plan for the reporting year /QIC data
Strategic direction 3 “Global strategic asset allocation”					
7.	Total Cost to invested capital (Total Value to Paid-in Capital, TVPI)	coef.	Total Value – the sum of total returns from the QIC investment portfolio and the current book value of the QIC investment portfolio (excluding treasury transactions) Paid-In Capital – the total amount of QIC investments **the calculation does not take into account the performance of private equity funds (PEFs) established before 2020 (with the exception of captive funds), as well as the PEFs in which the ownership interest was transferred to QIC*	1.15	Financial statements/ Report on the implementation of the Development Plan for the reporting year QIC /QIC data
8.	Sustainable Development Rating	rating	The results of the rating agency's assessment	65 points	Report on the rating agency's assessment results

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Annex № 2. Glossary

Term	Value
CAGR	Average annual growth rate with compound interest
COVID-19	Infectious disease
Due diligence	The stage of the investment process at which all aspects of the company's activities are reviewed, applying for investments
ESG (environmental, social and governance factors)	A set of criteria reflecting the environmental, social and managerial aspects of the company's activities, which is used by socially responsible investors to evaluate and select potential investments.
Family office	A private company that manages investments and capital for wealthy families
Private equity	For the purposes of this Strategy, the following definition is formulated: investments in the capital of private companies that have a medium-term investment horizon and are aimed at generating income from capital gains and increasing shareholder value
Venture Capital	A type of private capital aimed at risky investments in companies with significant growth potential
General Partner	The co-founder or co-investor of the fund, who is responsible for all the obligations of the private equity fund, usually the fund's management companies act as the General Partner.
Investment portfolio	It includes the strategic and liquid portfolio of KCM
Key Performance Indicators	Indicators of the company's performance or its individual divisions, which enable the organization to achieve its strategic and tactical goals.
Liquid portfolio	Money on current accounts and short-term deposits of KCM in banks, refined precious metals, corporate and government securities, financial instruments, structural products
Non-resource sector of the economy	Sectors of the economy not related to the extraction and sale of mineral raw materials and geological exploration
Limited Liability Partner (LP)	A co-founder or co-investor of a private equity fund who is responsible for its obligations and risks only up to the amount of funds he has contributed to the fund
FDI	A category of international investments, as a result of which investors - residents of one economy - gain significant control or the ability to influence the management of investment objects that are residents of another economy.
Fair value	The amount by which an asset can be exchanged or an obligation fulfilled in a transaction between knowledgeable, willing, independent parties.
Strategic portfolio	The set of obligations assumed by QIC to invest in investment funds, investment projects and project companies through the acquisition of deposits, shares, shares, units and other types of property rights certifying the participation of QIC
Sustainable development	It represents a strategic approach to development that aims to meet the current needs of society without prejudice to the ability of future generations to meet their own needs. It includes a balanced mix of economic, social and environmental development, striving to conserve natural resources and maintain social justice.
The World Bank	It is an international financial organization founded to promote the development of its member countries by providing financial and

	technical assistance. The Bank finances various projects aimed at reducing poverty, developing social infrastructure, supporting education and healthcare, as well as promoting sustainable economic growth and maintaining the natural environment.
International Monetary Fund	An interstate organization established with the aim of ensuring global financial stability, facilitating international trade and stimulating sustainable economic growth and development.
"growth" assets	Investments in companies or financial instruments that have the potential to significantly increase value in the future due to a high rate of profit growth or share price.
Buyouts	These are transactions in which a company or part of it is bought out from the current owners in order to acquire control of the business.
Fundraising	The process of collecting funds from people, organizations, or the community in order to support a specific initiative, project, or organization.
Quasi-public sector	A sector of the economy that includes organizations that are formally independent of the state but have strong government influence.
REPO	It is a transaction between two parties in which one party sells securities to the other party with the obligation to buy them back at a previously agreed price and time.
Big Data	A term denoting huge amounts of information that require special methods of analysis and processing due to their scale and complexity.
Dry powder	Unused capital that is ready to be invested in certain opportunities, but has not yet been invested in specific assets or projects.

Annex № 3. List of abbreviations

ACC	Agrarian Credit Corporation
JSC	Joint stock company
AIC	Agro-industrial complex
STB	Second-tier banks
DBK	Development Bank of Kazakhstan
GDP	Gross domestic product
PPP	Public-private partnership
SUBs	Subsidiaries
ECA	Europe and Central Asia
IC	Investment Committee
KPI	Key Performance Indicators
MSMEs	Micro, small and medium enterprises
SMEs	Small and medium-sized businesses
IFOs	International financial organizations
AIFC	Astana International Financial Center
NMH	National Managing Holding
UAE	United Arab Emirates
The UN	The United Nations
PE	Private equity
FDI	Foreign direct investment
RK	The Republic of Kazakhstan
MEDIA	Mass media
CIW	Construction and installation works
USA	United States of America
SEZ	Special economic zones
LLP	Limited Liability Partnership
MC	Management company
PEFs	Private equity funds
PLF	Problem Loans Fund JSC
PC	Private company
ECA	Export Credit Agency of Kazakhstan JSC
ADB	Asian Development Bank
AIX	Astana International Exchange
AUM	Assets Under Management
B2B	Business-to-business
BMI	Business model innovation
BVF	Baiterek Venture Fund JSC
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
EBRD	The European Bank for Reconstruction and Development
ESG	Environmental, social, and corporate governance
EY	Ernst & Young
FGF	Falah Growth Fund L.P.
GP	General partner
GRI	Global Reporting Initiative
IFC	International Finance Corporation
IPO	Initial public offering

IT	Information Technology
KASE	Kazakhstan Stock Exchange JSC
L.L.C.	Limited liability company
LP	Limited partner
PRI	Principles of responsible investments
QIC	Qazaqstan Investment Corporation
SIFEM	Swiss Development Finance Institution
SWOT	Strengths, Weaknesses, Opportunities, Threats
S&P	Standard & Poor’s
UN	United Nations

Annex № 4. List of charts

Annex № 5. List of tables